

# **Economic Sanctions to Achieve U.S. Foreign Policy Goals: Discussion and Guide to Current Law**

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## Summary

As the close of the 106<sup>th</sup> Congress, 1<sup>st</sup> session, nears, there are last-minute efforts to place one or more sanctions measures into a bill that has its own momentum. H.R. 434, the African Growth and Opportunity Act, is under consideration to carry a variety of trade-related amendments. It has been mentioned in the press as a possible vehicle for S. 757, the Sanctions Policy Reform Act. It is also possible that H.R. 434 could advance “Food and Medicine for the World Act.” The Senate agreed to food and medicine exemption language earlier in the session; that language was excised from the agriculture appropriations bill in conference. A new version of the bill has been introduced as S. 1771 in the Senate and as H.R. 3140 in the House.

The 106<sup>th</sup> Congress has under consideration more than 100 bills or joint resolutions to impose new sanctions, ease current regimes, or overhaul the entire process that the legislative and executive branches employ when considering the use of sanctions. Of these, enactment of the “Enhancement of Trade, Security, and Human Rights Through Sanctions Reform Act,” H.R. 1244, or its counterpart, the “Sanctions Policy Reform Act,” S. 757, could most change the way the United States uses sanctions as a foreign policy tool. The bills seek to clarify the use of unilateral sanctions in U.S. foreign. The bills revise procedures both branches follow before enacting or imposing sanctions, and require extensive reporting on expected costs and benefits of sanctions. The Administration and many Members of Congress have spoken in favor of some sort of overhaul; there are serious points of disagreement, however, between the two branches, particularly when new proposals seek to reduce the President’s flexibility in using sanctions as a foreign policy tool.

Some suggest that there is a post-Cold War trend toward sanctions becoming the method of first resort in foreign policy. Others contend that sanctions, unilateral or otherwise, are a peacetime means to improving international behavior in important areas such as human rights or weapons proliferation, and should not be avoided solely for trade concerns. Particular attention is paid to the domestic impact of sanctions. A frequently cited report issued by the Institute for International Economic (April 1997) concludes that U.S. unilateral sanctions may have cost U.S. businesses some \$15-19 billion in 1995. The Congressional Budget Office, on the other hand, has found that sanctions have had a negligible effect on the overall U.S. economy, with a loss of perhaps \$1 billion in 1997, compared to U.S. national income of \$6.6 trillion.

This report addresses how and why sanctions are applied, who has the authority, under what terms that authority is exercised, what objectives the U.S. government seeks to achieve or advance when imposing (or lifting) sanctions, the secondary consequences of imposing sanctions, and the option of multilateral sanctions. The report also offers a list of current U.S. laws that require or authorize the imposition of sanctions.

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Both the Congress and the President in recent years have increasingly relied on economic sanctions as a means to establish and promote their foreign policy objectives, and yet the efficacy of economic sanctions is considered controversial. Most recently the President announced that the United States would begin to ease some of the sanctions the United States has held against North Korea since 1950. The change in policy, which allows for freer trade, investment, financial transactions, and travel between the two countries, was arrived at after U.S. coordinator for North Korea policy (and former U.S. Secretary of Defense serving President Bush) William Perry recommended taking a number of steps to improve relations. North Korea agreed to refrain from testing its long-range Taepo Dong-2 missile in exchange for a move toward normalization—including the lifting of some sanctions—and continued negotiations between the two countries. Chairmen of the Senate Committee on Foreign Relations and House Committee on International Relations each had immediate adverse reactions to the President's announcement. Representative Gilman described the new U.S.-North Korea relationship as one based on "extortion," with "...no assurances that North Korea has halted missile development or its program for weapons of mass destruction."<sup>1</sup> Sanctions remain in place that were imposed against North Korea for its support of international terrorism. Sanctions triggered by North Korean entities' involvement with proliferation of weapons of mass destruction also remain active, as required by law.

Congress and the executive branch have also been at odds in recent days over the use of sanctions, or lack of use, against Indonesia, Russia, and China, and throughout the 106<sup>th</sup> Congress over sanctions imposed against Cuba, India, Pakistan, Iraq, Iran, and Yugoslavia.

Over the last several years the use of sanctions has come under substantial scrutiny for a variety of reasons. Troubling reports of the lack of food and medical supplies available to the civilian population in Iraq, for example, led the United Nations to implement an oil-for-food program in December 1996, a step some have argued undermines benefits the sanctions might provide.<sup>2</sup> India and Pakistan each tested nuclear explosive devices in May 1998, despite the sanctions certain to come from the international community.<sup>3</sup> The U.S. government responded with broad economic sanctions, only to discover that the economic prohibitions would take a devastating toll on U.S. wheat growers. Congress quickly moved to amend the law, with the President's support and signature, that prohibited Department of Agriculture subsidization of U.S. commercial wheat sales to Pakistan. The result was lifting, in a matter of weeks, sanctions that had been imposed for what some argued was one of the most serious and dangerous of offenses, nuclear proliferation. Others, however, contended that the longer-term consequences of denying Pakistan U.S. agricultural commodities would have destabilized all of South Asia, and perhaps resulted in Pakistan failing as a state.<sup>4</sup>

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<sup>1</sup> "Clinton Eases North Korea Sanctions," *Associated Press*, Terence Hunt, September 17, 1999; "White House Announces Decision to Ease Some North Korea Sanctions," *White House Press Release*, 17 September 1999; "Press Briefing on U.S. Relations with North Korea," Secretary of State Albright and Dr. William Perry, September 17, 1999 <http://secretary.state.gov/www/statements/1999/990917a.html>.

<sup>2</sup> For further discussion, see *Iraq: Humanitarian Needs, Impact of Sanctions, and the "Oil for Food" Program*, by Lois McHugh, CRS Report 98-680 F, August 13, 1998.

<sup>3</sup> *India-Pakistan Nuclear Tests and U.S. Response*, by Barbara L. LePoer, *et al.*, CRS Report 98-570 F, updated November 24, 1998; *Nuclear Sanctions: Section 102(b) of the Arms Export Control Act and Its Application to India and Pakistan*, by Jeanne Grimmett, CRS Report 98-486 A, updated September 21, 1999.

<sup>4</sup> Language that would authorize the President to waive the sanctions applied against India and Pakistan for an indefinite period, including the sanctions against Pakistan referred to as the "Pressler amendment" sanctions, is incorporated into the Department of Defense Appropriations Act, 2000 (H.R. 2561) at title IX. The bill was signed by the President on October 25, 1999, as P.L. 106-79 (113 Stat. 1212). On October 27, 1999, the President issued a determination (Presidential Determination No. 2000-4) that basically continued the policy adopted toward India and

Selling wheat to Pakistan, in turn, invigorated a larger discussion on the use of food and medicine in foreign policy. Excluding food and medicine from sanctions regimes was taken up but unfinished in the 105<sup>th</sup> Congress; the 106<sup>th</sup> Congress has before it some 15 legislative proposals that would make it more difficult for the executive branch to prohibit commercial sales of agricultural commodities and medicines.<sup>5</sup> Indeed, on April 28, the President announced that the United States would exempt commercial sales of agricultural commodities and medicine from future unilateral sanctions imposed by the executive branch. The President directed the Secretary of the Treasury to issue new regulations that would allow commercial food and medical exports to Libya, Iran, and Sudan, three states previously restricted from such transactions by dint of their being on the State Department's list of countries that support acts of international terrorism. Only two days later the President announced new sanctions against Yugoslavia (Serbia and Montenegro), expressly directing the Secretary of the Treasury to "authorize commercial sales of agricultural commodities and products, medicine, and medical equipment for civilian end use...under appropriate safeguards to prevent diversion to military, paramilitary, or political use by the Government of the Federal Republic of Yugoslavia..."<sup>6</sup>

Of all the sanctions reform proposals, that with the most bipartisan support would exempt food, agricultural commodities, medicine, and medical supplies from economic sanctions. A version of the "Food and Medicine for the World Act," a bill first introduced as S. 425, was passed by the Senate in the FY2000 agriculture appropriations measure (H.R. 1906/S. 1233), only to be excised in conference. Similar language was introduced as S. 1771 in the Senate on October 22, 1999, by Senator Ashcroft. S. 1771 was sent directly to the Senate legislative calendar and read the first time. Similar language was introduced in the House by Rep. Nethercutt as H.R. 3140 on October 25, 1999, and referred to the Committees on International Relations, Rules, and Agriculture. S. 1712, the Export Administration Act of 1999, also exempts the application of sanctions toward agricultural commodities and medicines (Title IV). That measure was reported out of committee on October 8, 1999 (S.Rept. 106-180), and placed on the Senate Legislative Calendar.

By mid-October, Members of the 106<sup>th</sup> Congress had already introduced more than 100 bills or joint resolutions to impose new sanctions, ease current regimes, or overhaul the entire process that the legislative and executive branches employ when considering the use of sanctions. Of

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Pakistan in 1998. The President waived restrictions on USDA agricultural commodities financial support to the two countries. In issuing the determination, the President also allowed programs of the Export-Import Bank, Overseas Private Investment Corporation, Trade and Development Agency, and International Military Education and Training programs to operate in India. In light of Pakistan's military *coup d'état*, Representative Pallone introduced H.R. 3095 on October 18, 1999, to amend P.L. 106-79 to keep the Pressler amendment in current law and applied against Pakistan. Language in the annual foreign operations appropriations measure that limits foreign assistance to countries the governments of which have attained power by overthrowing a democratically elected regime pertains to Pakistan as well.

<sup>5</sup> The Senate Committee on Foreign Relations and Senate Committee on Agriculture, Nutrition, and Forestry, each held hearings on May 11 to consider and collect public opinion on sanctions that have an impact on agricultural commodities. While these hearings were oversight in nature, particular attention was given to S. 425, the Food and Medicine for the World Act (introduced by Senator Ashcroft) and S. 566, the Agricultural Trade Freedom Act (introduced by Senator Lugar), respectively. See *Economic Sanctions and U.S. Agricultural Exports*, by Remy Jurenas, CRS Report RL30108.

<sup>6</sup> *Humanitarian Exemptions from Sanctions*, Statement by the Press Secretary, the White House, April 28, 1999; *Economic Sanctions*, Press Briefing by Stuart E. Eizenstat, Under Secretary of State for Economic, business, and Agricultural Affairs, and Richard Newcomb, Director of the Office of Foreign Assets Control, Treasury Department; and Secretary Eizenstat's testimony before the Senate Committee on Agriculture, Nutrition, and Forestry, May 11, 1999; Department of the Treasury, Office of Foreign Assets Control, 31 CFR Parts 538, 550, and 560, 64 FR 41784, August 2, 1999 (effective date July 27, 1999). Regarding Yugoslavia: Executive Order 13088, as amended by Executive Order 13121 of April 30, 1999, 64 F.R. 24021.

these, enactment of the “Enhancement of Trade, Security, and Human Rights Through Sanctions Reform Act,” H.R. 1244, or its counterpart, the “Sanctions Policy Reform Act,” S. 757, could most change the way the United States uses sanctions as a foreign policy tool. The bills seek to clarify the use of unilateral sanctions in U.S. foreign policy imposed at the initiative of either the Administration or Congress. The bills would revise procedures both branches follow before enacting or imposing sanctions, and would require extensive reporting as to the expected costs and benefits of imposing sanctions.<sup>7</sup>

As the close of the 106<sup>th</sup> Congress, 1<sup>st</sup> session, approaches, there are last-minute efforts to place one or more sanctions measures into a bill that has its own momentum. H.R. 434, the African Growth and Opportunity Act, is under consideration to carry a variety of trade-related amendments. It has been mentioned in the press as a possible vehicle for S. 757, the Sanctions Policy Reform Act. It is also possible that H.R. 434 could advance “Food and Medicine for the World Act.” The Senate agreed to food and medicine exemption language earlier in the session; that language was excised from the agriculture appropriations bill in conference. A new version of the bill has been introduced as S. 1771 in the Senate and as H.R. 3140 in the House.

This report provides background on the range of actions that might be termed sanctions, and a set of criteria that legislators might consider when proposing them, to help legislators judge when sanctions might be appropriate and the approach that might be most effective. Provided as well is an uncomplicated “map” of where sanctions policies and options currently may be found in U.S. law.

## Defining Economic Sanctions

Generally, economic sanctions might be defined as “coercive economic measures taken against one or more countries to force a change in policies, or at least to demonstrate a country’s opinion about the other’s policies.”<sup>8</sup> The most-often quoted study on sanctions defines the term as “...the deliberate, government-inspired withdrawal, or threat of withdrawal, of customary trade or financial relations.”<sup>9</sup> Economic sanctions typically include measures such as trade embargoes; restrictions on particular exports or imports; denial of foreign assistance,<sup>10</sup> loans, and investments; or control of foreign assets and economic transactions that involve U.S. citizens or businesses. These definitions of economic sanctions would exclude diplomatic démarches, reductions in embassy staff or closing of embassies, mobilizing armed forces or going to war—tools clearly intended to change another country’s behavior through other than economic means.

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<sup>7</sup> Other bills might have substantial impact on the use of sanctions in foreign policy; the annual foreign operations appropriations bill, for example, often includes sanctions language (H.R. 2606 was vetoed on October 18, 1999, for reasons unrelated to sanctions; it is likely to be incorporated into an omnibus appropriations bill). S. 1712, the Export Administration Act of 1999, was reported out by the Senate Committee on Banking, Housing, and Urban Affairs, on October 8, 1999 (S. Rep.t. 106-180), should enliven the sanctions debate with its numerous references to sanctions imposed for reasons of national security, foreign policy, proliferation of weapons of mass destruction, and export controls, to name a few. See *Export Administration Act of 1979 Reauthorization*, Helit Barel *et al.*, CRS Report RL30169.

<sup>8</sup> Carter, Barry E., *International Economic Sanctions: Improving the Haphazard U.S. Legal Regime*. Cambridge: Cambridge University Press, 1988. P. 4.

<sup>9</sup> Hufbauer, Gary Clyde, Jeffrey J. Schott and Kimberly Ann Elliott, *Economic Sanctions Reconsidered: History and Current Policy*. Washington, DC: Institute for International Economics, 1990 (second edition). p. 2.

<sup>10</sup> Some contend that the denial of foreign assistance should not be considered a sanction. Their position is that foreign assistance is not an entitlement; no country should expect its availability. The denial of foreign assistance is included in this discussion because it fits the definition used, that is, denial of foreign assistance to force a targeted country to change its behavior is in keeping with “coercive economic measures taken against one or more countries to force a change in policies, or at least to demonstrate a country’s opinion about the other’s policies.”



The use of “carrots” (e.g., granting most-favored-nation status for another year or offering economic or military assistance to a country if it conforms to certain standards) would not qualify as a sanction.

## **Issues Related to Economic Sanctions**

In any sanctions debate, one might consider the following questions to assess the benefits and/or costs of imposing sanctions against a country, company, or individual:

### **Why do we apply sanctions?**

Economic sanctions are used when one country (or alliance of countries) wants to condemn or coerce change in the behavior of another country—its government, individuals, or businesses—that violates important international standards or threatens U.S. national interests. The U.S. government might impose sanctions when other efforts to change behavior have failed, such as diplomacy, public suasion, cultural and scientific exchanges, state visits, targeted technical assistance, military training and education, or other friendly means. Sanctions might be positioned at the middle of a continuum, between the extremes of complete cooperation and agreement at one end, and to the other end open hostility, use of force, or all-out war. The United States has aimed sanctions at governments that consistently violate internationally recognized human rights; at governments that sponsor international terrorism or harbor terrorists from elsewhere; at governments, individuals or corporations that engage in the proliferation of weapons of mass destruction; at individuals or governments that traffic narcotics; at governments that conduct aggression against their neighbors, threaten regional stability, or threaten U.S. security or foreign policy interests.

### **What objectives does the U.S. government seek to achieve when it imposes sanctions?**

United States policymakers do not always state the goals or objectives they hope to accomplish through the imposition of economic sanctions. Sanctions might be imposed when taking no action seems not enough of a response, but at the same time policymakers might resist committing to stronger measures. Generally, however, the U.S. government may choose to impose sanctions to:

- express its condemnation of a particular practice such as military aggression; human rights violations; militarization that destabilizes a country, its neighbors or the region; proliferation of nuclear, biological, or chemical weapons or missiles; political, economic, or military intimidation; terrorism; drug trafficking; or extreme national political policies contrary to basic interests or values of the United States (e.g., apartheid, communism);
- punish those engaged in objectionable behavior and deter its repetition;
- make it more expensive, difficult, or time-consuming to engage in objectionable behavior;
- block the flow of economic support that could be used by the targeted entity against the United States or U.S. interests;
- dissuade others from engaging in objectionable behavior;
- isolate a targeted country (or company or individual);
- force a change or termination of objectionable behavior; or
- coerce a change in the leadership or form of government in a targeted country.



## Who imposes sanctions?

The President has broad authority to impose sanctions, either pursuant to declaring a national emergency and then invoking powers vested in his office in the International Emergency Economic Powers Act, or by exercising authority stated in various public laws (some of which are described at the end of this report). In other instances, Congress might take the lead, either by conferring new Presidential authority to impose sanctions, or by requiring sanctions to be imposed unless the President determines and certifies that certain conditions have been met. Some sanctions are mandatory and are triggered automatically when certain conditions exist. Congress, for example, has required the imposition of sanctions when duly elected governments are overthrown by military *coup d'état*, or when any non-nuclear weapon state explodes a nuclear device. Some behavior that would trigger the imposition of sanctions, such as proliferation or support of international terrorism, requires that the President or Secretary of State determine and certify that a violation of a standard has occurred. In most instances, the Administration has considerable flexibility in making such determinations and also has the authority to waive sanctions when imposed.

## What tools are available?

All of the following economic policy tools have been used at one time or another, triggered by a variety of repugnant behaviors.<sup>11</sup>

- Foreign assistance, all or some programs, could be terminated, suspended, limited, conditioned, or prohibited. Foreign assistance to particular organizations that operate in the targeted country could be curtailed. U.S. government arms sales and transfers, military assistance, and International Military Education and Training (IMET) funding could be similarly restricted. Scientific and technological cooperation, assistance, and exchanges could be reduced or halted.
- Both public and private sector financial transactions could be restricted; assets in U.S. jurisdictions could be seized or frozen, or transactions related to travel or other forms of exchange could be limited or prohibited.
- Importation and exportation of some or all commodities could be curtailed by denying licenses, closing off shipping terminuses, or limiting related transactions.
- Government procurement contracts could be canceled or denied.
- Negative votes on loans, credits, or grants in international financial institutions could be cast, or the United States could abstain in voting.
- Trade agreements or other bilateral accords could be abrogated, made conditional, or not renewed. Beneficial trade status could be denied, withdrawn, or made conditional. Trade and import quotas for particular commodities could be lessened or eliminated altogether. The U.S. tax code could be amended to discourage commerce with a sanctioned state.
- Funding for investment, through the Overseas Private Investment Corporation, Trade and Development Agency, or Export-Import Bank, could be curtailed.
- Aviation, maritime, and surface access to the United States could be canceled or denied.

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<sup>11</sup> Government leaders also have a range of diplomatic, political, cultural, and military tools at their disposal to use instead of or in conjunction with economic sanctions.

- Certain acts associated with sanctionable behavior could be made a criminal offense—making the targeted individual subject to fines or imprisonment. Additionally, sanctions could be applied against those individuals, businesses, or countries that continue to trade with or support targeted individuals, businesses, or countries.

### **How likely is it that sanctions will achieve the stated goal?**

Effectiveness is the most difficult aspect of sanctions policy to evaluate. The impact, cost and benefit of sanctions cannot be considered in a vacuum. A recent study considers geographic proximity, common language, volume of trade, a country's relative wealth, and membership in a common trading bloc all factors that might determine the success or failure of a unilaterally imposed sanctions regime.<sup>12</sup> One should also consider the United States' relative importance—in terms of trade, culture, scientific and intellectual exchanges, and history—to the targeted country. How important to the targeted country is our economic cooperation? Is the United States a significant trading partner, or only marginally engaged? Consider, for example, that at the time that sanctions were imposed against the former Yugoslavia, the United States took in only about 5 percent of that country's exports. The support of more substantial trading partners in Europe was needed to have any hope of having an impact.

United States businesses frequently argue that U.S. sanctions that hinder their exports or imports in turn benefit their foreign competitors. Some contend that staying engaged as trading partners or investors in a problem country will have better long-term effect. The United States seeks to isolate Cuba, for example, while Cuba's European trading partners contend that full trade relations afford them opportunities to discuss human rights concerns with the island nation.

Of course, relatively modest goals that do not challenge the vital interests of the targeted country or person are more likely to be achieved than are far-reaching goals, such as a change in the form of government, change in its leadership, or relinquishing territory. The smaller the goal, the more likely it can be achieved. Similarly, the lesser the cost of imposing sanctions, the more sellable and manageable the policy will be to the implementing country or alliance of countries.

### **What secondary consequences might sanctions have?**

Whether or not successful in achieving their central purpose, sanctions sometimes have undesirable—perhaps unexpected—fallout. Sanctions against former Yugoslavia, for example, were particularly hard on the economies of Serbia's neighboring states. At the same time, some analysts argue, sanctions against Serbia and Montenegro actually bolstered nationalist political movements there. In another instance, long-standing sanctions against South Africa in the 1980s, some speculate, led that nation to develop weapons manufacturing capabilities—conventional and nuclear—that remain cause for concern today. Most recently, when the United States campaigned for European friends to join in sanctions against Iran by blocking investment in Iran's oil fields in 1995, for example, nearly all of Europe declined, pointing out that they were running out of fuel sources that were not under some sanctions regime. A short while later, trading partners of Nigeria found themselves wanting to punish that country for human rights issues but were unable to restrict trade with yet another oil producer.

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<sup>12</sup> Hufbauer, Gary Clyde and Kimberly Ann Elliott, Tess Cyrus, and Elizabeth Winston. *U.S. Economic Sanctions: Their Impact on Trade, Jobs, and Wages*. Washington, DC: Institute for International Economics, 1997. 17 p. and tables.

Other secondary—and unintended—consequences arise in nearly all cases where sanctions are applied for some duration. Analysts express concern for the impact on the non-governmental population, particularly if food, medicine, or other basic human needs are affected. A recent study of the impact of U.S. sanctions policy on health and nutrition in Cuba concluded that U.S. restrictions on that country's ability to import food and medicine has "dramatically harmed the health and nutrition of large numbers of ordinary Cuban citizens."<sup>13</sup> The State Department has countered these charges, incidentally, with documentation of increased humanitarian shipments of medicine and other health-related supplies to Cuba from the United States in recent years, and with statistics that indict the Cuban government for misuse of their own treasury and inattention to its own people. Indeed, the State Department reports that the United States, since 1992, has become the largest donor of humanitarian assistance to Cuba.<sup>14</sup> Similar reports abound regarding Iraq and the impact of U.N.-sponsored multilateral sanctions, with those supporting sanctions and those favoring lifting the sanctions for humanitarian reasons arguing equally passionately.<sup>15</sup>

Nearer to home, loss of trade, the impact on U.S. jobs, potential loss of procurement contracts or other trade relations, loss of confidence in the reliability of American suppliers subject to unilateral economic prohibitions, all need to be factored in. Two Senate committees held hearings on agricultural commodities sanctions in May 1999, where witnesses representing the agricultural sector spoke about the impact of denying American farmers access to markets in terrorist states. Herb Karst, President of the National Barley Growers Association, testified that U.S. policy removed U.S. grain exporters from 3.5% of the global market. For barley growers, he estimated that U.S. sanctions against Libya and Iran in 1997-98 blocked U.S. growers from more than 9% of the world barley market, or more than twice what U.S. barley growers otherwise exported for that time period.<sup>16</sup>

The Congressional Budget Office (CBO), on the other hand, has found that sanctions on foreign commerce have had a negligible effect on the overall U.S. economy. In a report prepared at the request of the House Committee on International Relations, CBO found that many sanctions do not add to restrictions on commerce and that, when they do, the cost is often small because commerce with the targeted state is small (as it might be with developing countries), that loss to the U.S. economy overall is offset by funds saved (by forgoing foreign aid or trade promotion funding), or that domestic business finds other markets (for both import and export).<sup>17</sup> Earlier research by CBO put the domestic cost of sanctions at less than \$1 billion in lost national income per year (compared with a total national income of \$6.6 trillion for 1997, the year on which CBO based its analysis). Even this cost was thought likely to be only short-term, that exporters would find replacement markets and recover. At the same time, CBO did note that sanctions could "result in sharp disruption to and dislocation of specific U.S. firms and workers."<sup>18</sup>

One might consider, then, how the potential secondary costs of imposing sanctions, incurred by surrounding states, civilian populations in the targeted states, or even by domestic interests, compare to the benefit of achieving the stated goal. For what duration will the secondary costs

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<sup>13</sup> *Denial of Food and Medicine: The Impact of the U.S. Embargo on Health & Nutrition in Cuba*, American Association for World Health. March 1997.

<sup>14</sup> "The U.S. Embargo and Health Care in Cuba: Myth Versus Reality," U.S. Department of State, Press Statement, May 14, 1997.

<sup>15</sup> *Iran: Humanitarian Needs...*, *op cit*.

<sup>16</sup> Prepared testimony of Herb Karst, President of the National Barley Growers Association, before the Senate Committee on Agriculture, Nutrition, and Forestry, May 11, 1999.

<sup>17</sup> *The Domestic Costs of Sanctions on Foreign Commerce*, by Congressional Budget Office, March 1999, 52 p.

<sup>18</sup> Prepared testimony of Jan Paul Acton, Assistant Director of the Natural Resources and Commerce Division, Congressional Budget Office, before the House Committee on International Relations, June 3, 1998.

have to be borne; what long-term damage might the secondary costs inflict? And what is the cost, if any, of doing nothing?

### **What change is required for the sanctions to be lifted?**

When sanctions are imposed via enactment of public law, what is required to terminate the restrictions is usually clearly stated. If a policy is unevenly applied, however, the standard might be less clear. China, for example, as a nonmarket economy, is denied permanent most-favored nation status on the basis of laws relating to trade, nonmarket economies, and emigration. The annual debate to renew China's MFN status, however, rarely has much to do with freedom of emigration of China's population. If sanctions are applied for a lengthy period, other problems arise, or the circumstances that triggered the sanctions at the outset might evolve. The sought after change in behavior could be redefined over time, or multilateral or domestic support for the sanctions could deteriorate. In some instances, sanctions are imposed to achieve a goal that is unclear, ever-changing, or perhaps unattainable. In such circumstances, if the sanctions are lifted or waived, it may effectively signal a friendly change of policy. If the U.S. government terminates sanctions when it appears that the targeted country has not budged at all from its sanctionable behavior, however, future attempts to achieve a standard of behavior through sanctions may be compromised. The constantly changing political landscape of the former Yugoslavia over the last seven years provides numerous incidents to demonstrate the dilemma of sending confusing signals to allies as well as the sanctioned state.

### **Would multilateral sanctions be more desirable and achievable?**

It is generally agreed that sanctions imposed by all or most of the nations on which a targeted country relies for trade and support (such as through the United Nations or other multinational organization) stand a much better chance of having an impact than unilateral restrictions or prohibitions. Consensus is difficult to reach among countries considering another country's behavior, however, and as a result multilateral sanctions are imposed infrequently. Comprehensive multilateral sanctions are even more rare. Attempts that fail to solidify international opinion against one country's objectionable behavior can actually give support to those committing the behavior (for example, every year the United States is condemned by the U.N. General Assembly for its unilateral sanctions regime against Cuba).

### **Current Law**

Each sanction has its own duration, severity, and comprehensiveness or selectivity. Each section of law has its own terms for triggering the imposition, as well as reporting on, easing or tightening, waiving, and terminating the sanction. Some laws make sanctions mandatory; others provide discretionary authority to the President or his delegate to impose sanctions. Nearly all laws include some sort of waiver authority that allows the President to not impose the sanction even if an incident warrants it. Only a few laws specifically spell out what recourse Congress might take when it finds itself in disagreement with the executive branch on the imposition, waiving, or termination of a sanction.

Some laws generally authorize the executive branch to make and carry out foreign policy and would not be considered sanctions legislation at first glance. Such authority is often cited when the President changes policy to the detriment of a targeted country. Using legislative authority to cut foreign assistance, for example, might be an administrative decision, or it might be a step taken to punish a country in violation of any number of international standards. Disallowing participation in various trade-supporting programs (such as the Overseas Private Investment

Corporation or the Export-Import Bank) might be a change in policy to recognize a country's graduation from such needs, or it might be considered a punitive step taken to change the recipient country's behavior.

The following list is intended to serve only as a guide to where the authority to impose sanctions stands in the law. Careful reading of the public law text is required to determine the intent of the sanctions, what triggers their imposition, the extent of the sanction, and what is required to have the restrictions lifted. The list groups laws into broad foreign policy categories. A brief note of what form the sanction might take is included parenthetically. Many of the restrictions of foreign assistance will be found in the FY1999 foreign operations appropriations act; such a law is enacted anew each fiscal year (or, in absence of an appropriations act, a continuing resolution may extend the terms of a previous year's appropriations act). For specific countries, any law written specifically to address conditions in, or relations with, that country would apply, but other laws of general effect written to address an issue might apply to that country as well. This list should not be considered comprehensive but is an index of basic sanctions legislation.

### **General U.S. national security or foreign policy objectives**

§ 621, Foreign Assistance Act of 1961 (Public Law 87-195; 22 USC 2381) (authorizes President to administer foreign assistance programs and policy; authorizes the President to prohibit foreign assistance because of illegal activities, such as fraud or corruption)

§ 633A, Foreign Assistance Act of 1961 (Public Law 87-195; 22 USC 2393a) (prohibits foreign assistance when certain informational requests are not met by recipient)

§ 3, Arms Export Control Act (Public Law 90-629; 22 USC 2753) (authorizes President to administer U.S. government arms sales and transfers with conditions and exceptions)

§ 38, Arms Export Control Act (Public Law 90-629; 22 USC 2778) (authorizes the President to limit sales and transfers in interest of world peace and security of United States. Violation of terms of section or related regulations may result in \$1 million fine, 10-year imprisonment, or both)

§ 42, Arms Export Control Act (Public Law 90-629; 22 USC 2791) (authorizes the President to cancel arms sales, credits, or contracts on national security grounds)

§ 5(b), Trading with the Enemy Act (Public Law 65-91; 50 USC App. 5(b))<sup>19</sup> (authorizes the President to investigate, regulate, or prohibit transactions, or to freeze assets)

Title II, National Emergencies Act (Public Law 94-412; 50 USC 1621, 1622) (authorizes declaration and administration of national emergencies—required to administer authority under International Emergency Economic Powers Act)

§ 203, International Emergency Economic Powers Act (Public Law 95-223; 50 USC 1701) (authorizes control or prohibition of most financial transactions)

§ 1237, Strom Thurmond National Defense Authorization Act for Fiscal Year 1999 (public Law 105-261; 50 USC 1701 note) (authorizes the use of sec. 203 of the International Emergency Economic Powers Act where an action involves “persons operating directly or indirectly in the United States...that are Communist Chinese military companies”)

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<sup>19</sup> The Trading with the Enemy Act continues to apply only to Cuba and North Korea. Presidential authority to impose similar national emergency-related sanctions may be found in the National Emergencies Act and the International Emergency Economic Powers Act.

§ 2(b)(5)(B), Export-Import Bank Act of 1945 (Public Law 79-173; 12 USC 635(b)(5)(B)) (restricts Export-Import Bank services with country engaged in armed conflict against U.S. armed forces)

§ 5, Export Administration Act of 1979 (Public Law 96-72; 50 USC App. 2404) (imposes national security export controls)

§ 6, Export Administration Act of 1979 (Public Law 96-72; 50 USC App. 2405) (imposes foreign policy export controls)

§ 11, Export Administration Act of 1979 (Public Law 96-72; 50 USC App. 2410) (imposes penalties for violations of Act, generally)

§ 11A, Export Administration Act of 1979 (Public Law 96-72; 50 USC App. 2410a) (prohibits contracts, importation for regulations violators)

§ 233, Trade Expansion Act of 1962 (Public Law 87-794; 19 USC 1864) (authorizes President to sanction importation for violations of sec. 5 Export Administration Act national security controls)

### **U.S. trade policy legislation sometimes used for foreign policy objectives**

§ 125, Trade Act of 1974 (Public Law 93-618; 19 USC 2135) (authorizes President to terminate or withdraw from trade agreements)

§ 126, Trade Act of 1974 (Public Law 93-618; 19 USC 2136) (authorizes President to terminate or withdraw from trade agreements where reciprocal nondiscriminatory treatment has not been upheld)

§ 604, Trade Act of 1974 (Public Law 93-618; 19 USC 2483) (authorizes President to change the Harmonized Tariff Schedules)

§ 212(b)(4), (5), Caribbean Basin Economic Recovery Act (Public Law 98-67; 19 USC 2702(b)(4), (5)) (denies beneficiary country status)

§ 232, Trade Expansion Act of 1962 (Public Law 87-794; 19 USC 1862) (authorizes President to set duties or import restrictions based on national security issues)

§ 620(d), Foreign Assistance Act of 1961 (Public Law 87-195; 22 USC 2370(d)) (prohibits foreign assistance loans)

§ 8038, Department of Defense Appropriations Act, 1999 (Public Law 105-262; 41 USC 10b-2) (requires the Secretary of Defense to rescind waiver of Buy American Act when a country violates defense procurement agreements in discriminating against American products)

### **Extradition**

§ 212(b)(6) Caribbean Basin Economic Recovery Act (Public Law 98-67; 19 USC 2702(b)(6)) (denies beneficiary country status)

### **Proliferation, generally**

§ 620(s), Foreign Assistance Act of 1961 (Public Law 87-195; 22 USC 2370(s)) (conditions foreign assistance and loans)

§ 3(f), Arms Export Control Act (Public Law 90-629; 22 USC 2753(f)) (prohibits sales or leases to nuclear explosive device proliferators)



§ 38, Arms Export Control Act (Public Law 90-629; 22 USC 2778) (establishes penalty for violating U.S. import/export terms for defense articles and services)

§ 6(k), Export Administration Act of 1979 (Public Law 96-72; 50 USC App. 2405(k)) (restricts exportation)

§ 1211, National Defense Authorization Act for Fiscal Year 1998 (Public Law 105-85) (restricts exportation of high performance computers)

### **Missile proliferation**

§§ 72, 73, Arms Export Control Act (Public Law 90-629; 22 USC 2797a, 2797b) (restricts contracts, denies, export licenses, may deny importation)

§ 6(l), Export Administration Act of 1979 (Public Law 96-72; 50 USC App. 2405(l)) (restricts exportation)

§ 11B, Export Administration Act of 1979 (Public Law 96-72; 50 USC App. 2410b) (restricts contracts, denies export licenses, may deny importation)

### **Nuclear proliferation**

§ 307, Foreign Assistance Act of 1961 (Public Law 87-195; 22 USC 2227) (prohibits use of U.S. foreign assistance paid in as U.S. proportionate share to international organizations when those organizations run programs in Burma, Iraq, North Korea, Syria, Libya, Iran, Cuba, or with the Palestine Liberation Organization. Further prohibits funding for International Atomic Energy Agency participation in certain projects in Cuba.)

§§ 101, 102, Arms Export Control Act (Public Law 90-629; 22 USC 2799aa, 2799aa-1) (prohibits foreign or military assistance)<sup>20</sup>

§ 701(b), International Financial Institutions Act (Public Law 95-118; 22 USC 262d(b)) (opposes international financial institution support)

§ 2(b)(1)(B), Export-Import Bank Act of 1945 (Public Law 79-173; 12 USC 635(b)(1)(B)) (denies Bank support where President determines in U.S. national interests related to terrorism, nuclear proliferation, environmental protection, human rights)

§ 2(b)(4), 2(b)(5)(C) Export-Import Bank Act of 1945 (Public Law 79-173; 12 USC 635(b)(4)) (prohibits Export-Import Bank support)

§ 5(b), Export Administration Act of 1979 (Public Law 96-72; 50 USC App. 2404) (restricts exports for national security reasons)

Export-Import Bank of the United States, title I, Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1999 (sec. 101(d) of division A of Public Law 105-277; 112 Stat. 2681-150) (prohibits Export-Import Bank funding to other than non-nuclear weapon state, if that state detonates a nuclear explosive after enactment of this Act (October 21, 1998))

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<sup>20</sup> See also the India-Pakistan Relief Act of 1998, title IX of the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 1999 (sec. 101(a) of division A of Public Law 105-277; 22 USC 2799aa-1 note), which waived the applicability of these sections for India and Pakistan for one year upon enactment. The Act also waived §2(b)(4) of the Export-Import Bank Act of 1945 and §620E(e) of the Foreign Assistance Act of 1961.



§ 129, Atomic Energy Act of 1954 (Public Law 83-703; 42 USC 2158) (prohibits transfer of nuclear materials, equipment, related technology)

§ 304(b), Nuclear Non-Proliferation Act of 1978 (Public Law 95-242; 42 USC 2155a) (authorizes Department of Commerce to regulate exports significant to nuclear explosion purposes)

§ 402, Nuclear Non-Proliferation Act of 1978 (Public Law 95-242; 42 USC 2153a) (prohibits exports related to nuclear enrichment)

§ 821, Nuclear Proliferation Prevention Act of 1994 (Public Law 103-236; 22 USC 3201 note) (prohibits contracts with individuals)

§ 823, Nuclear Proliferation Prevention Act of 1994 (Public Law 103-236; 22 USC 3201 note) (opposes international financial institution support)

§ 824, Nuclear Proliferation Prevention Act of 1994 (Public Law 103-236; 22 USC 3201 note) (prohibits financial institutions from financing certain transactions)

§ 620G, Foreign Assistance Act of 1961 (Public Law 87-195; 22 USC 2378a) (prohibits foreign assistance for most sales of antitank shells containing depleted uranium penetrating component)

### **Chemical/Biological weapons proliferation**

§ 81, Arms Export Control Act (Public Law 90-629; 22 USC 2798) (requires import and U.S. government procurement sanctions against CW/BW proliferators)

§ 6(m), Export Administration Act of 1979 (Public Law 96-72; 50 USC App. 2405(m)) (restricts exportation)

§ 11C, Export Administration Act of 1979 (Public Law 96-72; 50 USC App. 2410c) (requires import and U.S. government procurement sanctions against CW/BW proliferators)

§ 307, Chemical and Biological Weapons Control and Warfare Elimination Act of 1991 (Public Law 102-182; 22 USC 5605) (terminates most foreign assistance, arms sales, certain exports; may restrict international financial institution support, U.S. bank support, exports, imports, diplomatic relations, aviation access to United States)

Chapter 11B, 18 USC (added by § 201, Chemical Weapons Convention Implementation Act of 1998) (states penalties for those who “develop, produce, or otherwise acquire, transfer directly or indirectly, receive, stockpile, retain, own, possess, or use or threaten to use, any chemical weapon...”)

§ 2332c, 18 USC (added by § 521, Antiterrorism and Effective Death Penalty Act of 1996) (makes use of chemical weapon in certain instances a criminal offense)

§ 103, Chemical Weapons Convention Implementation Act of 1998 (division I of Public Law 105-277; 22 USC 6713) (establishes civil liability for violating the Chemical Weapons Convention, states terms of sanctions against foreign persons, foreign governments for such violations)

### **Communism (Marxist-Leninist countries)**

§ 620(f), (h), Foreign Assistance Act of 1961 (Public Law 87-195; 22 USC 2370(f), (h)) (prohibits foreign assistance)

§ 2(b)(2), Export-Import Bank Act of 1945 (Public Law 79-173; 12 USC 635(b)(2)) (prohibits Export-Import Bank transactions with Marxist-Leninist state)

§ 502(b)(1), Trade Act of 1974 (Public Law 93-618; 19 USC 2462) (denies beneficiary developing country status)

§ 5(b), Export Administration Act of 1979 (Public Law 96-72; 50 USC App. 2404) (authorizes the President to restrict exportation to Communist states, to states with policies “adverse to the national security interests of the United States”)

§ 43, Bretton Woods Agreements Act (Public Law 79-171; 22 USC 286aa) (opposes international financial institution support)

§ 212(b)(1), Caribbean Basin Economic Recovery Act (Public Law 98-67; 19 USC 2702(b)(1)) (denies beneficiary country status)

### **Coercive family planning programs (including abortion and involuntary sterilization)**

§ 104(f), Foreign Assistance Act of 1961 (prohibits development assistance from being made available for coercive family planning programs)

Development Assistance, title II, Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1999 (sec. 101(d) of division A of Public Law 105-277; 112 Stat. 2681-153) (prohibits development assistance from being made available for coercive family planning programs)

§ 518, Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1999 (sec. 101(d) of division A of Public Law 105-277, 112 Stat. 2681-176) (prohibits development assistance from being made available for coercive family planning programs or for lobbying for or against abortion)

### **Human rights**

§ 116, Foreign Assistance Act of 1961 (Public Law 87-195; 22 USC 2151n) (prohibits most U.S. foreign economic assistance to any country the government of which engages in a “consistent pattern of gross violations of internationally recognized human rights”)<sup>21</sup>

§ 502B, Foreign Assistance Act of 1961 (Public Law 87-195; 22 USC 2304) (prohibits most U.S. security assistance to any country the government of which engages in a “consistent pattern of gross violations of internationally recognized human rights”)

§ 239(i), Foreign Assistance Act of 1961 (Public Law 87-195; 22 USC 2199(i)) (requires Overseas Private Investment Corporation to consider human rights when conducting programs)

§ 660, Foreign Assistance Act of 1961 (Public Law 87-195; 22 USC 2420) (prohibits funds for police training)

§ 701(a), (b), (f) International Financial Institutions Act (Public Law 95-118; 22 USC 262d) (opposes bank loans)

§ 568, Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1999 (sec. 101(d) of division A of Public Law 105-277; 112 Stat. 2681-194) (“Leahy amendment;”

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<sup>21</sup> Section 2216 of the Foreign Relations Authorization Act, Fiscal Years 1998 and 1999 (title XX of subdivision B of division G of Public Law 105-277; 112 Stat. 2681-815), added the status of child labor practices in a country to reporting requirements under this section.

prohibits foreign assistance to security forces of any foreign country if Secretary of state “has credible evidence that such unit has committed gross violations of human rights”)

§ 579, Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1997 (§ 101(c) of title I of Public Law 104-208; 22 USC 262k-2) (opposes most international financial institution transactions for any country with a custom of female genital mutilation that has not taken steps to improve education to prevent such practices)

§ 2(b)(1)(B), Export-Import Bank Act of 1945 (Public Law 79-173; 12 USC 635(b)(1)(B)) (denies Bank support where President determines in U.S. national interests related to terrorism, nuclear proliferation, environmental protection, human rights, child labor)

§ 8130, Department of Defense Appropriations Act, 1999 (Public Law 105-262; 112 Stat. 2335) (prohibits funding to support any training of a foreign country’s security forces if a member of that security force unit “has committed a gross violation of human rights, unless all necessary corrective steps have been taken”)

## **Religious freedom**

Title IV, International Religious Freedom Act of 1998 (Public Law 105-292; 22 USC 6441 *et seq.*) (§405, in particular, authorizes the President to use a wide range of diplomatic and economic restrictions)

## **Worker rights**

§ 231A, Foreign Assistance Act of 1961 (Public Law 87-195; 22 USC 2191a) (limits Overseas Private Investment Corporation activities)

§§ 502(b)(7), (c)(7), 504, Trade Act of 1974 (Public Law 93-618; 19 USC 2462, 2464) (authorizes the President to take into account country’s worker rights record when considering beneficiary developing country status)

§ 212(b)(7) Caribbean Basin Economic Recovery Act (Public Law 98-67; 19 USC 2702(b)(7)) (denies beneficiary country status)

§ 538, Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1999 (sec. 101(d) of division A of Public Law 105-277; 112 Stat. 2681-182) (prohibits foreign assistance to projects that contribute to the violation of internationally recognized worker rights as defined in § 502(a)(4) of the Trade Act of 1974)

## **Use of forced/prison/convict labor**

§ 307, Tariff Act of 1930 (Public Law 71-361; 19 USC 1307) (prohibits importation of goods produced or manufactured with prison labor)<sup>22</sup>

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<sup>22</sup> See also title XXXVII of the Strom Thurmond National Defense Authorization Act for Fiscal Year 1999 (Public Law 105-261; 112 Stat. 2274), which authorized the hiring of additional U.S. Customs Service personnel in order to monitor the importation of products made with forced labor (§3701). The title also requires the Commissioner of Customs to report to Congress on the situation (§3702), and states the sense of the Congress that the President should scrutinize memoranda of understanding relating to reciprocal trade that the United States has with other countries regarding the use of forced labor.

## **Environmental degradation**

§ 118, Foreign Assistance Act of 1961 (Public Law 87-195; 22 USC 2151p-1) (denies foreign assistance related to deforestation)

§ 2(b)(1)(B), Export-Import Bank Act of 1945 (Public Law 79-173; 12 USC 635(b)(1)(B)) (denies Export-Import Bank support where President determines in U.S. national interests related to terrorism, nuclear proliferation, environmental protection, human rights)

§ 533, Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1991 (Public Law 101-513; 22 USC 262I) (requires U.S. Executive Directors of multilateral development banks to promote global climate change programs—includes voting against or abstaining on loans)

§ 609(b), Sea Turtle Conservation provisions (Public Law 101-162; 16 USC 1537 note) (bans importation of shrimp and shrimp products the harvest of which adversely affects sea turtle populations, unless President determines that government of harvester documents regulatory programs and sea turtle population security)

§ 901, Dolphin Protection Consumer Information Act (Public Law 101-627; 16 USC 1835) (authorizes punitive measure against those found to have mislabeled tuna products for distribution in the United States)

§ 7, Rhinoceros and Tiger Conservation Act of 1997 (Public Law 103-391; 16 USC 5305a) (prohibits sale, importation, exportation of rhinoceros or tiger products; imposes criminal and civil penalties)

## **Military coups d'état**

§ 508, Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1999 (sec. 101(d) of division A of Public Law 105-277; 112 Stat. 2681-171) (prohibits foreign assistance)

## **Debt arrearages, default**

§ 620(c), (q) Foreign Assistance Act of 1961 (Public Law 87-195; 22 USC 2370) (prohibits or suspends foreign assistance; for FY1999, not applicable for Nicaragua, Brazil, and Liberia, and for narcotics-related assistance for FY1999, not applicable for Colombia, Bolivia, and Peru)

§ 512, Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1999 (sec. 101(d) of division A of Public Law 105-277; 112 Stat. 2681-172) (prohibits foreign assistance; for FY1999, not applicable for Nicaragua, Brazil, and Liberia, and for narcotics-related assistance for FY1999, not applicable for Colombia, Bolivia, and Peru)

## **Terrorism**

§ 620A, Foreign Assistance Act of 1961 (Public Law 87-195; 22 USC 2371) (prohibits foreign assistance)

§ 620G, Foreign Assistance Act of 1961 (Public Law 87-195; 22 USC 2377) (prohibits foreign assistance)

§ 620H, Foreign Assistance Act of 1961 (Public Law 87-195; 22 USC 2378) (prohibits foreign assistance)

§ 40, Arms Export Control Act (Public Law 90-629; 22 USC 2780) (prohibits sale, transfer, lease, loan, grant, credit, foreign assistance associated with munitions items to terrorist states)

§ 40A, Arms Export Control Act (Public Law 90-629; 22 USC 2781) (prohibits sale or license for export of defense articles or defense services to country determined by President, in a fiscal year, to be not cooperating with U.S. antiterrorism efforts)

§ 505, International Security and Development Cooperation Act of 1985 (Public Law 99-83; 22 USC 2349aa-9) (authorizes the President to ban importation of goods and services from state found to support international terrorism)

§ 701(a)(2), (f), International Financial Institutions Act (Public Law 95-118; 22 USC 262d(a)(2), (f)) (opposes international financial institution loans to those offering refuge to skyjackers)

§ 1621, International Financial Institutions Act (Public Law 95-118; 22 USC 262p-4q) (opposes International financial institution loans to terrorist states)

§ 6, Bretton Woods Agreements Act Amendments, 1978 (Public Law 95-435; 22 USC 286e-11) (requires opposition to International Monetary Fund assistance)

§ 502(b)(2)(F), Trade Act of 1974 (Public Law 93-618; 19 USC 2462) (withholding of beneficiary developing country designation)

§ 6(j), Export Administration Act of 1979 (Public Law 96-72; 50 USC App. 2405(j)) (“Fenwick amendment,” requires export licenses)

§ 528, Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1999 ((sec. 101(d) of division A of Public Law 105-277; 112 Stat. 2681-178) (prohibits bilateral foreign assistance)

§ 551, Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1999 (sec. 101(d) of division A of Public Law 105-277; 112 Stat. 2681-187) (prohibits foreign assistance to any country providing lethal military equipment to a terrorist state)

§ 2332b, 18 USC (added by § 702, Antiterrorism and Effective Death Penalty Act of 1996) (makes terrorist acts that transcend national boundaries a criminal offense)

§ 2332d, 18 USC (added by § 321, Antiterrorism and Effective Death Penalty Act of 1996) (makes financial transactions with a terrorist state a criminal offense)

§ 2339A, 18 USC (added by § 323, Antiterrorism and Effective Death Penalty Act of 1996) (makes providing material support to a terrorist or terrorist state a criminal offense)

§ 2339B, 18 USC (added by § 303, Antiterrorism and Effective Death Penalty Act of 1996) (makes providing material support or resources to designated foreign terrorist organizations a criminal offense)

§ 2(b)(1)(B), Export-Import Bank Act of 1945 (Public Law 79-173; 12 USC 635(b)(1)(B)) (denies Bank support where President determines in U.S. national interests related to terrorism, nuclear proliferation, environmental protection, human rights)

### **United Nations or other international organization participation**

§ 307, Foreign Assistance Act of 1961 (Public Law 87-195; 22 USC 2227) (prohibits use of U.S. foreign assistance paid in as U.S. proportionate share to international organizations when those organizations run programs in Burma, Iraq, North Korea, Syria, Libya, Iran, Cuba, or with the Palestine Liberation Organization, “or, at the discretion of the President, Communist countries

listed at sec. 620(f) of this Act”. Further prohibits funding for International Atomic Energy Agency participation in certain projects in Cuba.)

§ 620(u), Foreign Assistance Act of 1961 (Public Law 87-195; 22 USC 2370(u)) (conditions foreign assistance on arrearage of UN dues)

§ 5, United Nations Participation Act of 1945 (Public Law 79-264; 22 USC 287c) (restricts economic and communications relations)

Title IV, International Organizations and Programs, Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1999 (sec. 101(d) of division A of Public Law 105-277; 112 Stat. 2681-169) (prohibits IO&P foreign assistance for United Nations Population Fund (UNFPA), Korean Peninsula energy Development Organization (KEDO), and the International Atomic Energy Agency (IAEA).

§ 535, Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1999 (sec. 101(d) of division A of Public Law 105-277; 112 Stat. 2681-181) (prohibits foreign assistance and transactions under the Arms Export Control Act to any country not in compliance with U.N. sanctions against Iraq)

§ 574, Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1999 (sec. 101(d) of division A of Public Law 105-277; 112 Stat. 2681-198) (reduces foreign assistance to any country not in compliance with U.N. sanctions imposed against Libya)

## **Emigration**

§ 402, Trade Act of 1974 (Public Law 93-618; 19 USC 2432) (“Jackson-Vanik amendment,” restricts commercial agreements, denies most-favored-nation status)

## **Diplomatic relations (including action taken when severed)**

§ 620(t), Foreign Assistance Act of 1961 (Public Law 87-195; 22 USC 2370(u)) (prohibits foreign assistance and assistance under Agricultural Trade Development and Assistance Act of 1954)

## **Drugs (international narcotics control)**

§ 486, 487, 490, Foreign Assistance Act of 1961 (Public Law 87-195; 22 USC 2291e, 2291f, 2291j) (restricts foreign assistance, narcotics control assistance)

§ 13, International Development Association Act (Public Law 86-565; 22 USC 284k) (opposes international financial institution support)

§ 802, Narcotics Control Trade Act (title VIII of Public Law 93-618; 19 USC 2492) (denies preferential tariff treatment, imposes importation duty, curtails air traffic between country and United States, reduces U.S. customs staff)

§ 803, Narcotics Control Trade Act (title VIII of Public Law 93-618; 19 USC 2493) (restricts sugar quota)

## **Missing in action**

§ 701(b)(4), International Financial Institutions Act (Public Law 95-118; 22 USC 262d(b)(4)) (requires U.S. executive directors to international financial institutions to consider MIA issue when voting on international financial institution loans to Vietnam, Laos, Russia, independent states of former Soviet Union, and Cambodia)



§ 403, Trade Act of 1974 (Public Law 93-618; 19 USC 2433). (authorizes the President to deny nondiscriminatory trade treatment, trade-related credits and investment guarantees, or commercial agreements to countries not cooperating with U.S. efforts to account fully for MIA in Southeast Asia)

### **Armed conflict (engaging against U.S. Armed Forces)**

§ 2(b)(5), Export-Import Bank Act of 1945 (Public Law 79-173; 12 USC 635(b)(5)) (prohibits Export-Import Bank credits)

### **World economy disruption, vital commodities disruption**

§ 502(b)(2), (b)(3), (e)(2), Trade Act of 1974 (Public Law 93-618; 19 USC 2462) (para. (2) in part, is specifically directed at Organization of Petroleum Exporting Countries (OPEC))

§ 502(b)(5), Trade Act of 1974 (Public Law 93-618; 19 USC 2462) (conditions beneficiary developing country designation)

§ 7, Export Administration Act of 1979 (Public Law 96-72; 50 USC App. 2406) (restricts exports relating to short supply)

§ 8, Export Administration Act of 1979 (Public Law 96-72; 50 USC App. 2407) (prohibits cooperating with foreign boycotts)

§ 513, Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1999 (sec. 101(d) of division A of Public Law 105-277; 112 Stat. 2681-172) (prohibits direct assistance, Export-Import Bank support, Overseas Private Investment Corporation funding, where commodity might disrupt world market)

§ 514, Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1999 (sec. 101(d) of division A of Public Law 105-277; 112 Stat. 2681-173) (requires the Secretary of the Treasury to advise U.S. Executive Directors of international financial institutions to oppose loans where funds would be used for production or extraction of any commodity or mineral for export where commodity or mineral is in world surplus supply and its production would cause substantial injury to U.S. producers)

### **Parking fines**

§ 552, Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1999 (sec. 101(d) of division A of Public Law 105-277; 112 Stat. 2681-187) (withholds portion of foreign assistance from nations whose agents or representatives in the United States are cited as parking scofflaws)

### **Humanitarian assistance disruption**

§ 620I, Foreign Assistance Act of 1961 (Public Law 87-195; 22 USC 2379) (prohibits foreign assistance)

### **Expropriation, confiscation, nationalization, mob action, or other seizure of or threat to property**

§ 620(a), (g), (j), (l), (o), Foreign Assistance Act of 1961 (Public Law 87-195; 22 USC 2370) (prohibits foreign assistance)



§ 620(e), Foreign Assistance Act of 1961 (Public Law 87-195; 22 USC 2370(e)) (suspends foreign assistance)

§ 12, International Development Association Act (Public Law 86-565; 22 USC 284j) (opposes international financial institution support)

§ 502(b)(4), Trade Act of 1974 (Public Law 93-618; 19 USC 2462) (denies beneficiary developing country designation)

§ 212(b)(2), (3), Caribbean Basin Economic Recovery Act (Public Law 98-67; 19 USC 2702(b)(2), (3)) (denies beneficiary country designation)

§ 2225, Foreign Relations Authorization Act, Fiscal Years 1998 and 1999 (title XX of subdivision B of division G of Public Law 105-277; 8 USC 1182d) (authorizes the Secretary of State to deny issuance of a visa to an alien trafficking in property confiscated or expropriated from any U.S. national)

## **Crime Control**

§ 6(n), Export Administration Act of 1979 (Public Law 96-72; 50 USC App. 2405(n)) (restricts exports)

## **Palestine Liberation Organization (PLO); Palestinian Authority**

§ 307, Foreign Assistance Act of 1961 (Public Law 87-195; 22 USC 2227) (prohibits use of U.S. foreign assistance paid in as U.S. proportionate share to international organizations when those organizations run programs in Burma, Iraq, North Korea, Syria, Libya, Iran, Cuba, or with the Palestine Liberation Organization)

§ 553, Foreign Operations, Export Financing and Related Programs Appropriations Act, 1999 (sec. 101(d) of division A of Public Law 105-277; 112 Stat. 2681-187) (prohibits foreign assistance to the PLO for the West Bank and Gaza unless the President invokes authority pursuant to § 604(a) of the Middle East Peace Facilitation Act of 1995)

§ 566, Foreign Operations, Export Financing and Related Programs Appropriations Act, 1999 (sec. 101(d) of division A of Public Law 105-277; 112 Stat. 2681-194) (prohibits Economic Support Funds for the Palestinian Authority)

§ 114(a), State Department Authorization Act, FY1984-1985 (Public Law 98-164; 22 USC 287e note) (prohibits U.S. funds to United Nations from being used to support certain Palestinian entities (similar language in subsequent foreign relations authorization measures))

§ 414, Foreign Relations Authorization Act, FY1990-1991 (Public Law 101-246; 22 USC 287e note) (prohibits U.S. funds to United Nations if it accords the PLO status equal to that of its member states)

§ 37, Bretton Woods Agreements Act (Public Law 79-171; 22 USC 286w) (states that granting of member or observer status to PLO by the International Monetary Fund would “result in a serious diminution of United States support”)

§ 1003, Anti-Terrorism Act of 1987 (Public Law 100-204; 22 USC 5202) (prohibits to receive anything of value from, expend funds from, or establish an office for, the PLO)

## **Current Law Related to Specific Countries**

### **Afghanistan**

§ 620D, Foreign Assistance Act of 1961 (Public Law 87-195; 22 USC 2374) (prohibits foreign assistance)

### **Angola**

§ 2(b)(11), Export-Import Bank Act of 1945 (Public Law 79-173; 12 USC 635(b)(11)) (prohibits Export-Import Bank credits)

§ 316, National Defense Authorization Act for Fiscal Year 1987 (Public Law 99-661; 10 USC 2304 note) (prohibits Department of Defense contracts)

### **Azerbaijan**

§ 907, FREEDOM Support Act (Public Law 102-511; 22 USC 5812 note) (restricts foreign assistance to Azerbaijan) (waived, in part, for FY1999 by paragraph titled “Assistance for the New Independent States of the Former Soviet Union”, subsec. (f), in title II of sec. 101(d) of division A of Public Law 105-277; 112 Stat. 2681-160)

### **Bosnia-Herzegovina**

Assistance for Eastern Europe and the Baltic States, title II, Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1999 (sec. 101(d) of division A of Public Law 105-277; 112 Stat. 2681-159) (authorizes President to withhold economic revitalization funds for Bosnia-Herzegovina if he finds noncompliance with Dayton Agreement concerning the withdrawal of foreign forces and cessation of cooperation between Iranian and Bosnian intelligence communities)

§ 570, Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1999 (sec. 101(d) of division A of Public Law 105-277; 112 Stat. 2681-195) (prohibits foreign assistance (excluding humanitarian, democratization, or border protection assistance, U.S. Armed Forces in Bosnia-requested project support, funds to implement the Brcko Arbitral Decision, Dayton Agreement-related monetary or fiscal policy support, direct lending to a non-sanctioned entity, or assistance to the International Police Task Force for training a civilian police force), transactions under the Arms Export Control Act, and U.S. support of international financial institution funding to any country, entity or canton where the Secretary of State has found and determined that authorities of that entity have failed to take necessary and significant steps to apprehend and transfer to the International Criminal Tribunal for the former Yugoslavia any indicted person)

### **Burma (Myanmar)**

§ 138, Customs and Trade Act of 1990 (Public Law 101-382) (authorizes President to impose such economic sanctions as he determines to be appropriate)

§ 307, Foreign Assistance Act of 1961 (Public Law 87-195; 22 USC 2227) (prohibits use of U.S. foreign assistance paid in as U.S. proportionate share to international organizations when those organizations run programs in Burma, Iraq, North Korea, Syria, Libya, Iran, Cuba, or with the Palestine Liberation Organization)

§ 570, Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1997 (§ 101(c) of title I of Public Law 104-208) (prohibits most foreign assistance; requires “no” votes in international financial institutions; authorizes President to restrict visas and impose investment sanctions, until such time that the President determines and certifies that Burma has made measurable and substantial progress in improving human rights and implementing democratic government)

## **Cambodia**

§ 906, International Security and Development Cooperation Act of 1985 (Public Law 99-83) (prohibits certain aid to Khmer Rouge)

Cambodia, title II, Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1999 (sec. 101(d) of division A of Public Law 105-277; 112 Stat. 2681-156) (prohibits most foreign assistance to Government of Cambodia (excluding demining or activities administered by nongovernmental organizations))

§ 578, Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1999 (sec. 101(d) of division A of Public Law 105-277; 112 Stat. 2681-200) (requires the Secretary of the Treasury to instruct U.S. executive directors of international financial institutions to oppose loans to Government of Cambodia, except loans supporting basic human needs)

## **Chile**

§ 726, International Security and Development Cooperation Act of 1981 (Public Law 97-113) (prohibits most security and military assistance to Chile until the President certifies on certain conditions in human rights, terrorism, extraterritorial assassination) (such a certification was made in Department of State Public Notice 1333 of September 30, 1990)

## **Colombia**

§ 520, Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1999 (sec. 101(d) of division A of Public Law 105-277; 112 Stat. 2681-176) (prohibits foreign assistance unless provided through Committee on Appropriations notification procedures)

## **Congo (former Zaire)**

§ 520, Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1999 (sec. 101(d) of division A of Public Law 105-277; 112 Stat. 2681-176) (prohibits foreign assistance unless provided through Committee on Appropriations notification procedures)

§ 575, Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1999 (sec. 101(d) of division A of Public Law 105-277; 112 Stat. 2681-199) (prohibits some foreign assistance to the central Government of the Democratic Republic of Congo until President determines and certifies that government is investigating and prosecuting human rights violations, and is implementing a credible democratic transition program)

## **Croatia**

§ 570, Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1999 (sec. 101(d) of division A of Public Law 105-277; 112 Stat. 2681-195) (prohibits foreign assistance (excluding humanitarian, democratization, or border protection assistance, U.S. Armed Forces in Bosnia-requested project support, funds to implement the Brcko Arbitral Decision,

Dayton Agreement-related monetary or fiscal policy support, direct lending to a non-sanctioned entity, or assistance to the International Police Task Force for training a civilian police force), transactions under the Arms Export Control Act, and U.S. support of international financial institution funding to any country, entity or canton where the Secretary of State has found and determined that authorities of that entity have failed to take necessary and significant steps to apprehend and transfer to the International Criminal Tribunal for the former Yugoslavia any indicted person)

## **Cuba**

§ 307, Foreign Assistance Act of 1961 (Public Law 87-195; 22 USC 2227) (prohibits use of U.S. foreign assistance paid in as U.S. proportionate share to international organizations when those organizations run programs in Burma, Iraq, North Korea, Syria, Libya, Iran, Cuba, or with the Palestine Liberation Organization. Further prohibits funding for International Atomic Energy Agency participation in certain projects in Cuba.)

§ 620(a), Foreign Assistance Act of 1961 (Public Law 87-195; 22 USC 2370(a)) (prohibits foreign assistance; authorizes total embargo)

§ 620(y), Foreign Assistance Act of 1961 (Public Law 87-195; 22 USC 2370(y)) (reduces foreign assistance to any country found to be assisting Cuba's nuclear power development)

§ 902(c), Food Security Act of 1985 (Public Law 99-198; 7 USC 1446 note) (prohibits sugar import quota to any country found to be importing for reexport to the United States sugar produced in Cuba)

§ 507, Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1999 (sec. 101(d) of division A of Public Law 105-277; 112 Stat. 2681-170) (prohibits direct foreign assistance)

§ 523, Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1999 (sec. 101(d) of division A of Public Law 105-277; 112 Stat. 2681-177) (prohibits indirect foreign assistance)

§ 1704(b), Cuban Democracy Act of 1992 (Public Law 102-484; 22 USC 6003(b)) (authorizes the prohibition of foreign assistance, arms export assistance, and debt forgiveness to any country conducting trade with Cuba)

§ 1705, Cuban Democracy Act of 1992 (Public Law 102-484; 22 USC 6004) (limits terms for donations and exportation of food and medicine to Cuba)

§ 1706, Cuban Democracy Act of 1992 (Public Law 102-484; 22 USC 6005) (prohibits licenses for exportation to Cuba; restricts port access to ships that have docked in Cuba; restricts remittances)

§ 102(h), Cuban Liberty and Democratic Solidarity (LIBERTAD) Act of 1996 (Public Law 104-114; 22 USC 6032) (codifies 31 CFR part 515 (Cuban Assets Control Regulations) in permanent law)

§ 103, Cuban Liberty and Democratic Solidarity (LIBERTAD) Act of 1996 (Public Law 104-114; 22 USC 6033) (prohibits indirect financing of any transaction involving confiscated property the claim to which is owned by a U.S. national)

§ 104, Cuban Liberty and Democratic Solidarity (LIBERTAD) Act of 1996 (Public Law 104-114; 22 USC 6034) (authorizes opposition in international financial institutions to admission of

Cuba; reduces U.S. contribution to any international financial institution that completes most transactions with Cuba)

§ 105, Cuban Liberty and Democratic Solidarity (LIBERTAD) Act of 1996 (Public Law 104-114; 22 USC 6035) (requires continued effort to maintain suspension of Government of Cuba from Organization of American States participation)

§ 111(b), Cuban Liberty and Democratic Solidarity (LIBERTAD) Act of 1996 (Public Law 104-114; 22 USC 6041(b)) (withholds assistance from any country found to be supporting the completion of Cuba's nuclear facility at Juragua, Cuba)

§ 302, Cuban Liberty and Democratic Solidarity (LIBERTAD) Act of 1996 (Public Law 104-114; 22 USC 6082) (makes liable for civil claims anyone trafficking in confiscated property, to which a U.S. citizen has made a claim, in Cuba)

§ 401, Cuban Liberty and Democratic Solidarity (LIBERTAD) Act of 1996 (Public Law 104-114; 22 USC 6091) (authorizes the Secretary of State to deny a visa to any alien who has trafficked in confiscated property in Cuba)

## **Guatemala**

International Military Education and Training, title III, Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1999 (sec. 101(d) of division A of Public Law 105-277; 112 Stat. 2681-164) (restricts International Military Education and Training funding)

Foreign Military Financing Program, title III, Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1999 (sec. 101(d) of division A of Public Law 105-277; 112 Stat. 2681-166) (prohibits Foreign Military Finance funding)

## **Haiti**

§ 520, Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1999 (sec. 101(d) of division A of Public Law 105-277; 112 Stat. 2681-176) (prohibits foreign assistance unless provided through Committee on Appropriations notification procedures)

§ 561, Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1999 (sec. 101(d) of division A of Public Law 105-277; 112 Stat. 2681-191) (requires Presidential certification on narcotics control, human rights, privatization, and emigration, issues before foreign assistance is made available)

§ 616, Department of State Appropriations Act, FY1999 (sec. 101(b) of division A of Public Law 105-277; 112 Stat. 2681-114) (prohibits State Department funding for visa issuance to certain Haitians involved in extrajudicial and political killings, or to certain members of the Haitian High Command during 1991-1994)

## **Honduras**

§ 520, Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1999 (sec. 101(d) of division A of Public Law 105-277; 112 Stat. 2681-176) (prohibits foreign assistance unless provided through Committee on Appropriations notification procedures)

## **Indonesia**

International Military Education and Training, title III, Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1999 (Public Law 105-277; 112 Stat. 2681-164) (restricts International Military Education and Training funding)

§ 569, Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1999 (sec. 101(d) of division A of Public Law 105-277; 112 Stat. 2681-195) (requires any agreement for sale, transfer, or licensing of lethal equipment or helicopter for Indonesia entered into by United States to state that the United States expects that the items will not be used in East Timor)

## **Iran**

§ 307, Foreign Assistance Act of 1961 (Public Law 87-195; 22 USC 2227) (prohibits use of U.S. foreign assistance paid in as U.S. proportionate share to international organizations when those organizations run programs in Burma, Iraq, North Korea, Syria, Libya, Iran, Cuba, or with the Palestine Liberation Organization)

§ 507, Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1999 (sec. 101(d) of division A of Public Law 105-277; 112 Stat. 2681-170) (prohibits direct foreign assistance)

§ 523, Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1999 (sec. 101(d) of division A of Public Law 105-277; 112 Stat. 2681-177) (prohibits indirect foreign assistance)

§ Iraq Sanctions Act of 1990 (§ 586 through 586J of Public Law 101-513) (made applicable to Iran pursuant to § 1603, Public Law 102-484; see discussion under “Iraq”)

§ 1604, Iran-Iraq Arms Nonproliferation Act of 1992 (Public Law 102-484; 50 USC 1701 note) (sanctions individuals for contributing to Iraq’s or Iran’s efforts to acquire chemical, biological, nuclear, or destabilizing numbers and types of advanced conventional weapons)

§ 1605, Iran-Iraq Arms Nonproliferation Act of 1992 (Public Law 102-484; 50 USC 1701 note) (sanctions foreign countries for contributing to Iraq’s or Iran’s efforts to acquire chemical, biological, nuclear, or destabilizing numbers and types of advanced conventional weapons)

§§ 5, 6, Iran and Libya Sanctions Act of 1996 (Public Law 104-172; 50 USC 1701 note) (authorizes the President to impose two or more of following sanctions on person if found to have engaged in investment in Iran: prohibit Export-Import Bank assistance, deny export licenses, prohibit U.S. financial institutions from making loans to sanctioned person, further restrict financial institutions from certain transactions, prohibit procurement contracts, restrict importation)

## **Iraq**

§ 586C, 586F, 586G, Iraq Sanctions Act (in title V of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1991; Public Law 101-513) (continues President’s imposition of trade embargo; prohibits arms sales, foreign military financing programs, export licenses for U.S. Munitions List items, items controlled for national security or foreign policy reasons, and nuclear equipment, materials, and technology. Requires U.S. vote against international financial institution funding, prohibited Export-Import bank funding, Commodity Credit Corporation assistance, and most U.S. foreign assistance)



§ 307, Foreign Assistance Act of 1961 (Public Law 87-195; 22 USC 2227) (prohibits use of U.S. foreign assistance paid in as U.S. proportionate share to international organizations when those organizations run programs in Burma, Iraq, North Korea, Syria, Libya, Iran, Cuba, or with the Palestine Liberation Organization)

§ 507, Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1999 (sec. 101(d) of division A of Public Law 105-277; 112 Stat. 2681-170) (prohibits direct foreign assistance)

§ 523, Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1999 (sec. 101(d) of division A of Public Law 105-277; 112 Stat. 2681-177) (prohibits indirect foreign assistance)

§ 535, Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1999 (sec. 101(d) of division A of Public Law 105-277; 112 Stat. 2681-181) (prohibits foreign assistance and transactions under the Arms Export Control Act to any country not in compliance with U.N. sanctions against Iraq)

§ 1604, Iran-Iraq Arms Nonproliferation Act of 1992 (Public Law 102-484; 50 USC 1701 note) (sanctions individuals for contributing to Iraq's or Iran's efforts to acquire chemical, biological, nuclear, or destabilizing numbers and types of advanced conventional weapons)

§ 1605, Iran-Iraq Arms Nonproliferation Act of 1992 (Public Law 102-484; 50 USC 1701 note) (sanctions foreign countries for contributing to Iraq's or Iran's efforts to acquire chemical, biological, nuclear, or destabilizing numbers and types of advanced conventional weapons)

## **Liberia**

Foreign Military Financing Program, title III, Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1999 (sec. 101(d) of division A of Public Law 105-277; 112 Stat. 2681-165) (prohibits Foreign Military Financing funding)

§520, Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1999 (sec. 101(d) of division A of Public Law 105-277; 112 Stat. 2681-176) (prohibits foreign assistance unless provided through Committee on Appropriations notification procedures)

## **Libya**

§ 307, Foreign Assistance Act of 1961 (Public Law 87-195; 22 USC 2227) (prohibits use of U.S. foreign assistance paid in as U.S. proportionate share to international organizations when those organizations run programs in Burma, Iraq, North Korea, Syria, Libya, Iran, Cuba, or with the Palestine Liberation Organization)

§ 504, International Security and Development Cooperation Act of 1985 (Public Law 99-83) (authorizes the President to prohibit importation and exportation of goods and services from/to Libya)

§ 507, Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1999 (sec. 101(d) of division A of Public Law 105-277; 112 Stat. 2681-170) (prohibits direct foreign assistance)

§ 523, Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1999 (sec. 101(d) of division A of Public Law 105-277; 112 Stat. 2681-177) (prohibits indirect foreign assistance)



§§ 5, 6, Iran and Libya Sanctions Act of 1996 (Public Law 104-172; 50 USC 1701 note) (authorizes the President to impose two or more of following sanctions on person if found to have engaged in investment in Libya: prohibit Export-Import Bank assistance, deny export licenses, prohibit U.S. financial institutions from making loans to sanctioned person, further restrict financial institutions from certain transactions, prohibit procurement contracts, restrict importation)

§ 5, Iran and Libya Sanctions Act of 1996 (Public Law 104-172; 50 USC 1701 note) (further requires mandatory sanctions as described above if person is found to have contributed to Libya's ability to acquire chemical, biological, or nuclear weapons or destabilizing numbers and types of advanced conventional weapons, or enhanced Libya's military or paramilitary capabilities; contributed to Libya's petroleum resource development; contributed to Libya's ability to maintain its aviation capabilities)

## **Mauritania**

§ 202, Human Rights, Refugee, and Other Foreign Relations Provisions Act of 1996 (Public Law 104-319; 22 USC 2151 note) (states the President *should* prohibit economic and military assistance and arms transfers to Government of Mauritania for human rights reasons)

## **Nicaragua**

§ 722, International Security and Development Cooperation Act of 1985 (Public Law 99-83) (prohibits foreign assistance and arms sales to paramilitary organizations and insurgent groups in Nicaragua)

## **North Korea**

§ 307, Foreign Assistance Act of 1961 (Public Law 87-195; 22 USC 2227) (prohibits use of U.S. foreign assistance paid in as U.S. proportionate share to international organizations when those organizations run programs in Burma, Iraq, North Korea, Syria, Libya, Iran, Cuba, or with the Palestine Liberation Organization)

International Organizations and Programs, title IV, Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1999 (sec. 101(d) of division A of Public Law 105-277; 112 Stat. 2681-169) (prohibits IO & P funding from being made available for Korean Peninsula Energy Development Organization (KEDO) programs)

§ 507, Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1999 (sec. 101(d) of division A of Public Law 105-277; 112 Stat. 2481-170) (prohibits direct foreign assistance)

§ 523, Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1999 (sec. 101(d) of division A of Public Law 105-277; 112 Stat. 2681-177) (prohibits indirect foreign assistance)

§ 8060, Department of Defense Appropriations Act, 1999 (Public Law 105-262; 112 Stat. 2311) (prohibits DOD appropriations assistance)

## **Pakistan**

§ 620E(e), Foreign Assistance Act of 1961 (Public Law 87-195; 22 USC 2375(e)) (prohibits military assistance and military sales) (waived for one year, through October 1999, pursuant to

sec. 902 of the India-Pakistan Relief Act of 1998 (title IX of sec. 101(a) of division A of Public Law 105-277; 112 Stat. 2681-40; see footnote 8)

§ 520, Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1999 (sec. 101(d) of division A of Public Law 105-277; 112 Stat. 2681-176) (prohibits foreign assistance unless provided through Committee on Appropriations notification procedures)

## **Panama**

§ 1302, National Defense Authorization Act, Fiscal Year 1989 (Public Law 100-456; 22 USC 2151 note) (prohibits U.S. funding for Panamanian Defense Force)

## **People's Republic of China**

§ 103, International Development and Finance Act of 1989 (Public Law 101-240; 12 USC 635 note) (prohibits finance of trade with, or credits, loan, credit guarantees, insurance or reinsurance to China; waived on day it was signed into law)

§ 902, Foreign Relations Authorization Act, Fiscal Years 1990 and 1991 (Public Law 101-246; 22 USC 2151 note) (continues: suspension of Overseas Private Investment Corporation insurance, reinsurance, financing or guarantees; suspension of new projects by the Trade and Development Agency; suspension of exports of most defense articles on the U.S. Munitions List (USML); and nuclear trade and cooperation. Prohibits: export licenses for crime control and detection equipment; Suspends: U.S. satellite exports and liberalization of multilateral export controls)<sup>23</sup>

§ 610, Departments of Commerce, Justice, and State, the Judiciary, and Related Agencies Appropriations Act, 1990 (Public Law 101-162). (prohibits State Department appropriations to be used for approving export licenses to China for launch of U.S.-built satellites; waived on case-by-case basis)

§ 523, Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1999 (sec. 101(d) of division A of Public Law 105-277; 112 Stat. 2681-177) (prohibits indirect foreign assistance)

§ 2826, National Defense Authorization Act for Fiscal Year 1998 (Public Law 105-85) (prohibits conveyance of Long Beach Naval Station property to the China Ocean Shipping Company—COSCO)

§ 8120, National Defense Authorization Act for Fiscal Year 1999 (Public Law 105-262; 112 Stat. 2332) (prohibits and U.S. DOD funds for procurement or research, development, test, and evaluation (RDTE) from being used to “enter into or renew a contract with any company owned, or partially owned, by the People’s Republic of China or the People’s Liberation Army of the People’s Republic of China)

## **Republika Srpska**

§ 570, Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1999 (sec. 101(d) of division A of Public Law 105-277; 112 Stat. 2681-195) (prohibits foreign assistance (excluding humanitarian, democratization, or border protection assistance, U.S. Armed Forces in Bosnia-requested project support, funds to implement the Brcko Arbitral Decision,

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<sup>23</sup> Section 1515 of the Strom Thurmond National Defense Authorization Act for Fiscal Year 1999 (Public Law 105-261; 22 USC 2778 note) added new reporting requirements to any report issued pursuant to §902(b) to allow for satellite exports to China.

Dayton Agreement-related monetary or fiscal policy support, direct lending to a non-sanctioned entity, or assistance to the International Police Task Force for training a civilian police force), transactions under the Arms Export Control Act, and U.S. support of international financial institution funding to any country, entity or canton where the Secretary of State has found and determined that authorities of that entity have failed to take necessary and significant steps to apprehend and transfer to the International Criminal Tribunal for the former Yugoslavia any indicted person)

### **Russia (see also [Former] Soviet Union/East Bloc)**

§ 498A(b), Foreign Assistance Act of 1961 (Public Law 87-195; 22 USC 2295A(b)) (states ineligibility for foreign assistance to governments of the independent states)

§ 498A(d), Foreign Assistance Act of 1961 (Public Law 87-195; 22 USC 2295A(d)) (reduces foreign assistance when Russia is found to be assisting Cuba with intelligence facilities)

Assistance for the New Independent States of the Former Soviet Union, title II, Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1999 (sec. 101(d) of division A of Public Law 105-277; 112 Stat. 2681-159) (Subsec. (c) withholds 50 percent of funding under this paragraph until the President determines and certifies that Russia has terminated arrangements with Iran to provide that country nuclear technical expertise, training, technology, or equipment)

§ 517, Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1999 (sec. 101(d) of division A of Public Law 105-277; 112 Stat. 2681-174) (prohibits foreign assistance without agreement with Russia that such assistance will not be subject to certain customs duties)

§ 572, Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1999 (sec. 101(d) of division A of Public Law 105-277; 112 Stat. 2681-198) (prohibits foreign assistance to Government of the Russian Federation unless President determines and certifies that the Government of the Russian Federation “has implemented no statute, executive order, regulation or similar government action that would discriminate, or would have as its principal effect discrimination, against religious groups or religious communities...”)

§ 2(b)(12), Export-Import Bank Act of 1945 (12 USC 635(b)(12)) (prohibits Export-Import Bank guarantees, insurance, credits, or other participation in connection with transactions of the Russian military if the military or government transfer or deliver an SS-N-22 missile system to China)

§ 1304, Strom Thurmond National Defense Authorization Act for Fiscal Year 1999 (Public Law 105-261; 22 USC 5952 note) (restricts Cooperative Threat Reduction funds to Russia for chemical weapons destruction until President certifies on implementation of Bilateral Destruction Agreement and general national security issues)

§ 1305, Strom Thurmond National Defense Authorization Act for Fiscal Year 1999 (Public Law 105-261; 22 USC 5952 note) (prohibits Cooperative Threat Reduction (CTR) funds to Russia for biological weapons destruction until Secretary of Defense reports on Russia’s use of CTR funds to develop new strains of anthrax)

### **South Africa**

Development Assistance, title II, Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1999 (sec. 101(d) of division A of Public Law 105-277; 112 Stat. 2681-155)

(prohibits development assistance funds to Central Government until Secretary of State certifies that U.S. is working with Government of South Africa toward the repeal, suspension, or termination of Medicines and Related Substances Control Amendment Act No. 90 of 1997)

### **[Former] Soviet Union/East Bloc**

§ 498A(b), Foreign Assistance Act of 1961 (Public Law 87-195; 22 USC 2295A(b)) (states ineligibility for foreign assistance to governments of the independent states)

§ 11A, Export Administration Act of 1979 (Public Law 96-72; 50 USC App. 2410a) (prohibits exports)

Assistance for the New Independent States (NIS) of the Former Soviet Union, title II, Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1998 (Public Law 105-118; 111 Stat. 2395) (subsec. (c) prohibits most foreign assistance to any NIS violating another NIS's sovereignty (excludes humanitarian and refugee relief assistance. Subsec. (d) prohibits funding under this paragraph to be used for enhancing military capacity (excluding demilitarization, demining, or nonproliferation programs))

§ 517, Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1999 (sec. 101(d) of division A of Public Law 105-277; 112 Stat. 2681-174) (prohibits foreign aid if a new independent state fails to make progress in implementing economic reforms; its government uses such aid to expropriate or seize assets; or it violates the territorial integrity or national sovereignty of another new independent state. Nor may funds may not be used to enhance military capability.)

### **Sudan**

Foreign Military Financing Program, title III, Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1999 (sec. 101(d) of division A of Public Law 105-277; 112 Stat. 2681-166) (prohibits Foreign Military Financing funding)

§ 507, Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1999 (sec. 101(d) of division A of Public Law 105-277; 112 Stat. 2681-170) (prohibits direct foreign assistance)

§ 520, Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1999 (sec. 101(d) of division A of Public Law 105-277; 112 Stat. 2681-176) (prohibits foreign assistance unless provided through Committee on Appropriations notification procedures)

### **Syria**

§ 307, Foreign Assistance Act of 1961 (Public Law 87-195; 22 USC 2227) (prohibits use of U.S. foreign assistance paid in as U.S. proportionate share to international organizations when those organizations run programs in Burma, Iraq, North Korea, Syria, Libya, Iran, Cuba, or with the Palestine Liberation Organization)

§ 507, Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1999 (sec. 101(d) of division A of Public Law 105-277; 112 Stat. 2681-170) (prohibits direct foreign assistance)

§ 523, Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1999 (sec. 101(d) of division A of Public Law 105-277; 112 Stat. 2681-177) (prohibits indirect foreign assistance)

## **Turkey**

§ 620(x), Foreign Assistance Act of 1961 (Public Law 87-195; 22 USC 2370(x)) (suspends military assistance and transactions)

## **Ukraine**

Assistance for the New Independent States of the Former Soviet Union, title II, Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1999 (sec. 101(d) of division A of Public Law 105-277; 112 Stat. 2681-161) (subsec. (g) withholds 50 percent of funding made available to Ukraine under this paragraph, with certain exceptions, until the Secretary of State reports to the Committees on Appropriations that Ukraine has undertaken significant economic reforms)

## **Vietnam (Socialist Republic of)**

§ 609, State Department Appropriations Act, FY1999 (sec. 101(b) of division A of Public Law 105-277; 112 Stat. 2681-112) (prohibits State Department funding for diplomatic or consular post until certain conditions are met)

## **Yugoslavia (Serbia and Montenegro)**

§ 1511, National Defense Authorization Act for Fiscal Year 1994 (Public Law 103-160; 50 USC 1701 note) (prohibits broad range of relations, freezes assets, travel, assistance, international financial institution support)

§ 520, Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1999 (sec. 101(d) of division A of Public Law 105-277; 112 Stat. 2681-176) (prohibits foreign assistance unless provided through Committee on Appropriations notification procedures)

§ 539, Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1999 (sec. 101(d) of division A of Public Law 105-277; 112 Stat. 2681-182) (prohibits use of any funds to lift sanctions until President certifies on certain conditions in Kosovo, and on Serbia's compliance with the Dayton peace agreement and cooperation with the International Criminal Tribunal)

§ 570, Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1999 (sec. 101(d) of division A of Public Law 105-277; 112 Stat. 2681-195) (prohibits foreign assistance (excluding humanitarian, democratization, or border protection assistance, U.S. Armed Forces in Bosnia-requested project support, funds to implement the Brcko Arbitral Decision, Dayton Agreement-related monetary or fiscal policy support, direct lending to a non-sanctioned entity, or assistance to the International Police Task Force for training a civilian police force), transactions under the Arms Export Control Act, and U.S. support of international financial institution funding to any country, entity or canton where the Secretary of State has found and determined that authorities of that entity have failed to take necessary and significant steps to apprehend and transfer to the International Criminal Tribunal for the former Yugoslavia any indicted person)

## **ABSTRACT**

This report provides background on foreign policy sanctions. It addresses the following questions: Why do we apply sanctions? What objectives does the U.S. government seek to achieve when it imposes sanctions? Who imposes sanctions? What tools are available? How likely is it that sanctions will achieve the stated goal? What secondary consequences might

sanctions have? What change is required for the sanctions to be lifted? Would multilateral sanctions be more desirable and achievable? The report also provides an uncomplicated map of where sanctions policies and options currently may be found in U.S. law. This report will be updated as events warrant.

Other CRS products related to this subject include CRS Report 98-116, *Nuclear, Biological, Chemical, and Missile Proliferation Sanctions: Selected Current Law*; CRS Report 98-486, *Nuclear Sanctions: Section 102(b) of the Arms Export Control Act and Its Application to India and Pakistan*; CRS Report RL30108, *Economic Sanctions and U.S. Agricultural Exports*; CRS Report 98-795, *State and Local Economic Sanctions: Some Constitutional Issues*; and CRS Report RL30169, *Export Administration Act of 1979 Reauthorization*. See also country-specific listings in the *Guide to CRS Products*.

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